

## CHAPTER XL

### THE BANKS OF NORTHERN EUROPE.

Development of Banks of Issue in Belgium—The Strain Put upon the National Bank by the Franco-Prussian War—Difficulties Caused by the Double Standard—The Bank of Amsterdam and Modern Banking in Holland—Organization of the Banks of Sweden, Norway, and Denmark.

THE history of banking in Belgium is a history of greater freedom from state interference and entanglement with the finances of the government than that of most other European countries. Belgium began her present national life in 1830 with the assumption of but a small debt as a legacy from her relations with Holland and with the field comparatively clear for the adoption of a sound system of currency and banking. The neutrality of Belgium is practically guaranteed by the great powers of Europe and her military expenditure scarcely exceeds one dollar per capita. The National Bank of Belgium has been employed by the government, therefore, simply as its financial agent in its ordinary transactions and has not been diverted from its duties to industry and commerce by the necessity of floating large loans or covering deficits in the public finances. The government under these conditions has been able to keep in its own hands the ultimate power over the bank, without being often tempted to abuse it, and reserved in the first charter the right to grant to other corporations the power to issue notes. The National Bank has a monopoly of note issue in fact, but is restrained in some measure from abuse of its power by the knowledge that a competitor may at any moment be legally authorized to enter the field,